

a forfeited character, which soon collapsed, until the incorporation in 1832 of the Commercial Bank of the Midland district. The capital of the new bank was fixed at ;£ 100,000. The capital of the Bank of Upper Canada was increased by a like amount at the same session, and the utmost eagerness was shown to purchase the stock. The Commercial Bank within three years sought and obtained power to double its capital stock and an act was passed incorporating the Gore Bank at Hamilton with a capital of ^100,000.

The first bank charter in New Brunswick received the royal assent as early as March 25, 1820. The institution was known as the Bank of New Brunswick and was located at St. John, with a capital, of ,£50,000. The shareholders were liable only for the principal of their stock, and debts by the directors, either as principals or indorsers, were limited to one-third of the paid-up capital. The banks were forbidden by an Act of 1838 to issue notes of a less denomination than five shillings. The first bank of issue actually established in Nova Scotia was opened in 1825 at Halifax under the title of the Halifax Banking Compan}^*. The Bank of Nova Scotia, which was the first chartered bank, was incorporated by an Act approved March 30, 1832, with an authorized capital of ;£1 00,000. The bank was without a chartered competitor for five years and during its first ten years divided profits among the shareholders at the average rate of 8.9 per cent, and increased its capital to ^"140,000. The issue of bank-notes for less than ^5 was prohibited in Nova Scotia in 1834.

The banking system of the Canadian provinces was thus established on a comparatively safe and scientific basis, similar to the Scotch system in the part played by the large incorporated banks and their branches, but without any serious control by law. The history of the next thirty years involves a mania for banking speculation similar to that witnessed in the United States, on the part of the Canadian people, and an effort to apply the rigid limits of the English restriction act on the part of the home government at I/>n-don. The banking mania seized Upper Canada and resulted